



VIA FEDERAL EXPRESS DELIVERY

June 9, 1998

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: *Ex parte* presentation
CC Docket No. 96-45 (Universal Service)
CC Docket No. 96-262 (Access Charge Reform)

Dear Ms. Salas:

The Personal Communications Industry Association ("PCIA")¹ files this *ex parte* notification both to respond to specific proposals discussed in the *ex parte* letter recently filed by AT&T in these proceedings and to comment more generally upon the various options regarding universal service funding obligations that the Commission is reportedly considering.²

¹ PCIA is the international trade association created to represent the interests of both the commercial and the private mobile radio service communications industries. PCIA's Federation of Councils includes: the Broadband PCS Alliance, the Paging and Messaging Alliance, the Specialized Mobile Radio Alliance, the Site Owners and Managers Association, the Association of Wireless System Integrators, the Association of Communications Technicians, and the Private System Users Alliance. In addition, as the FCC-appointed frequency coordinator for the 450-512 MHz bands in the Business Radio Service, the 800 and 900 MHz Business Pools, the 800 MHz General Category frequencies for Business Eligibles and conventional SMR systems, and the 929 MHz paging frequencies, PCIA represents and serves the interests of tens of thousands of licensees.

² See, e.g., *Kennard Blasts AT&T for Announcing Consumer Fees for Universal Service*, Communications Daily at 2, May 29, 1998; Letter from Larry Irving, Assistant Secretary for Communications and Information Admin., Nat'l Telecommunications & Information Admin. to

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The proposals discussed by AT&T in its May 19 letter would result in the full funding obligation for the universal service programs being borne by only a portion of the telecommunications carriers in this country. Specifically, AT&T proposes that the interexchange carriers ("IXCs") be relieved of funding responsibility and only local exchange and wireless carriers contribute to the funds on a "per line" basis.

It is absolutely clear that exempting the long distance industry from responsibility to contribute to the funds would be inconsistent with this Commission's prior decisions.³ Pursuant to the FCC's own reasoning, simply and permanently excluding *any* class of carrier from funding responsibility would violate the statutory directive that all telecommunications carriers contribute to the maintenance of universal service in this country.

As PCIA has stated repeatedly -- and most recently in its May 22 comments⁴ -- all universal service subsidies must be precisely tailored to need. The wireless industry continues to be very concerned about the magnitude of the funding ordered by the Commission, particularly for the Schools and Libraries Fund. The Commission's assertion that the increased contribution factor proposed for that fund for the second half of 1998 will be offset by decreases in access charges is simply incorrect in the case of wireless carriers. PCIA strongly urges the Commission

William E. Kennard, Chairman, Fed. Communications Comm'n (May 22, 1998) (regarding universal service support mechanisms); and Letter from Rick D. Bailey, Vice President, AT&T, to Magalie Roman Salas, Secretary, Fed. Communications Comm'n (May 19, 1998) (regarding "hypothetical alternative approaches that could be considered for the assessment and collection of contributions to support the universal service funds").

³ See *In re Federal-State Joint Board on Universal Service, Fourth Order on Reconsideration*, CC Docket No. 96-45, FCC 97-420 at ¶¶ 262-63 (Dec. 30, 1997) ("We affirm our conclusion in the [May 8, 1997] *Order* that all telecommunications carriers . . . are required by section 254(d) to contribute to universal service. [T]he primary purpose of the universal service contribution requirements is the preservation and advancement of universal service in furtherance of principles set for in section 254(d). Section 254(d) requires '[e]very telecommunications carrier' to contribute to universal service . . . IXCs, payphone service providers, private service providers, and CMRS providers are required to contribute to universal service . . .").

⁴ Comments of the Personal Communications Industry Ass'n (May 22, 1998) responding to *Common Carrier Bureau Seeks Comment on Proposed Revision of 1998 Collection Amounts for Schools & Libraries and Rural Health Care Universal Service Support Mechanisms*, CC Docket No. 96-45, DA 98-872 (May 13, 1998).

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to address the issue by reviewing the Schools and Libraries fund in its entirety, rather than considering proposals that would shift the burden of funding the program even more disproportionately to the wireless industry.

Respectfully submitted,

A handwritten signature in cursive script, reading "Angela E. Giancarlo".

Angela E. Giancarlo, Esq.

Government Relations Manager

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